

General Information Letter: Illinois has no reciprocal agreement with North Carolina.

April 8, 1999

Dear:

Assistant Attorney General John Brunsman has asked me to reply to your March 3, 1999 letter. Given the nature of your inquiry and the information you provide, I am responding with a General Information Letter. This is not to be taken as a statement of Department policy or as a binding ruling by the Department. As general information gathered in response to your particular questions, however, I hope that it is helpful to you. See 86 Ill. Adm. Code 1200.120(b) and (c).

In your letter you have stated the following:

After I retired from the xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx of the State of Illinois, I eventually moved to xxxxxxxxx, North Carolina. When I moved here in xxxxxxxxxxxx, North Carolina and Illinois had a reciprocity agreement regarding state income taxes.

Do the two states still have this agreement? Thank you.

Response

Although Paragraph 701(d) of the Illinois Income Tax Act does allow Illinois to enter into reciprocity agreements so that withholding from Illinois payments may be exempted if the other state has an income tax, the only agreements currently in force are with Indiana, Iowa, Kentucky, Michigan and Wisconsin. There is no current agreement with North Carolina. In fact, checking back to the 1985 listing of reciprocal agreements, no agreement was in effect with North Carolina as far back as that year.

As stated above, this is a general information letter which does not constitute a statement of policy that either applies, interprets or prescribes tax law. It is not binding on the Department. If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Sincerely,

Kent R. Steinkamp
Staff Attorney -- Income Tax